Trustees' Annual Report for the year ended 31st December 2015

Patron: His Royal Highness The Prince of Wales, KG, KT, GCB, OM, AK, CD, QSO, PC.
President Richard Matson was appointed on 21st August 2013.
All at RBST are deeply saddened by the death of Richard Matson, in December 2015, following a short illness.

Vice Presidents
Miss Elizabeth Buchanan, C.V.O., FRAgS
J Alan C Black
Lord Iliffe

Board Members are Trustees and directors of RBST and at the date of this report they were:

Martin Anderson MBE, Treasurer	elected 2014, retiring 2016
Chris Ball	elected 2014, for 3 years
Martin Beard, Chairman Finance and Governance	elected 2014, for 3 years
Jeff Clarke, Vice Chairman	elected 2013, retiring 2016
Guy Kiddy	elected 2013, retiring 2016
Sandra Mansell	elected 2013, retiring 2016
Prof. Tim Morris	elected 2015, for 4 years
Dr Richard Small, Chairman Conservation	elected 2015, for 4 years
Gail Sprake, Chairman	elected 2014 for 3 years
Sue Blacker	co-opted 2016

The Conservation Committee is a committee formed by the Board, comprising Chris Ball, Guy Kiddy, Sandra Mansell, Richard Small, Gail Sprake, Tim Morris and the Chief Executive Officer.

The Finance and Governance Committee is a committee formed by the Board, comprising Martin Anderson, Martin Beard, Jeff Clarke, Gail Sprake and the Chief Executive Officer.

Investments Scrutineer: Magnus Mowat (nominated by the Board)
Nominations Committee Chair: J A C Black, in 2015 advised by Tony Chambers, Julian Hoskins and Keith Legge
Honorary Ambassador: Peter Hayford is Poultry Ambassador (appointed 2010).

Staff at the date of this report

Tom Beeston	Chief Executive Officer
Tom Blunt	Field Officer - South East
Richard Broad	Field Officer - South
Ruth Dalton	Field Officer – North
Hannah Knowles	Programme Officer - Part Time
Sarah Spriggs	Fundraising and Communications Officer
Jean Henderson	Finance Assistant – Part Time
Hilary Young	Administration Assistant – Part Time

Professional advisers at the date of this report

Accountants and Company Secretary	Dafferns LLP, Coventry
Bankers	Barclays Bank plc, Central Agriculture, Northampton
Solicitors	Lodders Solicitors LLP, Stratford-upon-Avon
Investment Managers	Smith and Williamson, Birmingham

Registered Office
Avenue Q, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2LG

Structure, Governance and Management

The Charity is a company limited by guarantee, governed by a Memorandum (amended 2012) and Articles of Association (updated/renewed 2015). The Chairman and other officers are elected by the Board from among their number. Outside the AGM, the Board and committees meet four times each year. The total number of Board members is 9 elected Trustees and 1 co-opted member. Up to 3 co-opted Trustees can be recommended by the Nominations Committee chaired by Vice President Alan Black. Task and Finish groups are set up as needed to deal with particular issues.

The Board of Trustees delegates the day-to-day running of the Trust to its Chief Executive Officer, who is supported by the staff and volunteers of the Trust. The Chief Executive Officer provides the Board with an operational report 4 times a year and between Board meetings works closely with the Chairman, Officers and other nominated trustees on matters of governance.

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

The trustees, who are also the directors of the company, present their report for the year ended 31 December 2015. The Trustees' Report includes information which forms part of the Strategic Report, which is required in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Risk assessment and control

The trustees are responsible for the proper governance of the Trust. The trustees receive reports from the Chief Executive Officer and actions are agreed to mitigate the most serious risks that could compromise or prevent the Trust from fulfilling its charitable objectives. The Board has a risk management strategy which includes an annual review of the major strategic, business and operational risks that the Trust faces, ensuring that appropriate systems are in place to manage exposure to those risks, and procedures to minimise the impact on the Trust should any of those risks occur. This is formally reviewed by the Finance and Governance Committee on an annual basis and is monitored for any changes at regular intervals. The main risks identified in 2015 include:

- Health and Safety of staff, volunteers or members of public in the course of delivering our works and at events.
- Ongoing income shortfall, an increased focus will be given to fundraising going forward.
- The declining numbers of pigs and equines, along with the potential reduced diversity of cattle, sheep and goats.
- Limited control in terms of monitoring or conserving poultry genetics and diversity.
- Factors beyond our control, not least disease, the economic climate and acts of god.

For all risks, the trustees ensure that wherever possible, mitigating actions are taken and implemented.

Social responsibility

All the activities of the Trust reflect social responsibility, which is a natural reflection of the philosophy of a charity associated with farm animal welfare, husbandry and conservation. The Board will ensure that:

- It is familiar with statements of Social Responsibility from all organisations with which it deals on a regular or substantive basis;
- The Trust will at all times endeavour not to endorse any business that contradicts the social and environmental concepts or that would reflect badly upon the charity;
- The scientific agenda satisfies the conscience of the Board;

Charity Objectives and Activities for the Public Benefit
The objects of the Trust, as set out in its Memorandum of Association are:

- For the benefit of the public to ensure the preservation of breeds and breeding groups of domestic farm livestock of importance in the promotion of agriculture being breeds at risk, and having characteristics worthy of preservation in the interests of zoological research and education to ensure the preservation of genes of special or potential value in hybridisation or other work; and

- To conduct, carry out and promote research within all areas of the Trust's interest to increase knowledge and to publish the results of such research.

Objectives, Activities, Achievements and Performance
RBST has the overarching aim to secure the future of rare and native UK livestock breeds. This is achieved, on an on-going basis, through the realisation of three primary objectives:

We monitor the numbers of rare and native breeds. Each year RBST collects data from breed societies and uses the number of animals registered in a year to calculate the effective population, to produce the annual Watchlist. We monitor threats to breeds. Other factors, such as inbreeding and geographical concentration, can threaten our breeds. We monitor and act to try to reduce these threats.

We save genetics in our National Gene Bank. We collect and store genetic materials from animals, in the form of semen from males and, where practical, embryos from females. This is our insurance policy. If a breed were to become extinct, we can use this store to reinstate a breed. In emergencies RBST will buy genetically important stock and place it in approved breeding centres.

We promote the breeding and registration of rare and native breeds. Together our staff, members and support groups provide a network of knowledge to support and encourage breeders. We promote the use of rare and native breeds for food, fibre, conservation grazing and to represent our cultural heritage.

Activities, Achievements and Performance

In the Field
It is the proud boast that since the formation of RBST in 1973, the UK has lost no breed of native livestock However that does not mean that all is well. To put our situation in context, according to the FAO around 20% of livestock breeds are at risk globally but in the UK, we believe the percentage is higher. In 2013, RBST classified 57 breeds of sheep, cattle, goats and equines as rare. By 2015, that number had risen to 62. In addition, the numbers of utility native breeds of poultry are critically low.

While there are glimmers of light for some individual breeds, overall the situation for the UK's rare breeds continues to be a cause of major concern. Two years ago, RBST reported that the Watchlist figures were a wake-up call and last year's figures did not make comfortable reading. Sadly, the latest Watchlist continues to highlight the critical situation that RBST is working to help resolve. In particular, pig and equine breeds overall are in significant decline with the number of pedigree registrations having halved since they reached their peak a few years ago. Populations of native sheep are stable, but the number of breeds categorised as rare is growing and the numbers of our only two native breeds of goat remain critically low. Cattle numbers are currently stable; however, RBST has convened a Task Group to study the situation across the cattle breeds because of concerns over genetic diversity. RBST believes genetic diversity within all of the Watchlist breeds is in decline.

Whilst RBST can be proud of having lost no native breed of livestock in over 40 years, we are aware of how much the environment in which we operate has changed over that period. While the founders of the Trust recognised the importance of ensuring that the genetics of our native breeds were preserved, they may not have realised just how much more significant that could be for future generations of food producers. Issues such as climate change, the impact of rising incomes in the developing world and a surging demand for animal products had yet to be raised. It is are now predicted that by 2050, demand for animal protein will be 50 to 100 per cent higher than it is today and that demand has to be satisfied against a background of major environmental changes. Meeting this increased demand is a major sustainability challenge and society will need to have every tool available at its disposal to meet it, which includes having as large and diverse a livestock gene pool as possible.

The RBST National Gene Bank is a vital resource in maintaining genetic diversity and we are looking to build partnerships across all of stakeholders, including the farming industry, government, civic society and academia, which will help us to deliver a completed Gene Bank. We also have to acknowledge that science is continuously moving forward, so we will regularly review our Gene Bank policy to ensure that it keeps pace with current knowledge and best practice.

The news for goats is positive in that both of the UK's native goat breeds on the Watchlist have shown an increase in numbers. The Bagot, a popular farm park attraction, is finding a new role in conservation grazing, providing more scope for this ancient breed and the latest Watchlist figures show a 14% increase in the number of registered breeding females. Although at a lower rate, the situation for Golden Guernseys has also improved with an increase of 3% in registrations. With the RBST 2015 Christmas appeal targeting goats, it is hoped that both breeds will be better represented in the RBST Gene Bank. As well as funding for semen collections, the Trust is also appealing for owners of billy goats suitable to be donors to come forward.

The Watchlist carries mixed news for the cattle breeds. Three breeds – the Vaynol, Original Population Dairy Shorthorn and White Park – have seen a decrease in numbers. Both Vaynol and OP Dairy Shorthorn, two of the four most endangered breeds, have very small populations and thus the loss of one or two breeding animals can make a big difference, but there are indications that figures for 2015 may be slightly better. Of greater concern is the White Park, which has shown a regular decrease in female registrations for the last three years in a row. It is, however, still a solid category 5 breed and the Society has confirmed that registration numbers have risen in 2015. RBST is collecting from a new bull both to increase the Gene Bank stocks and to make another bull available to breeders for AI. Four breeds showing positive movements are the Native Aberdeen Angus, the Gloucester, the Irish Moiled and the Shetland. The last two have shown good female registration numbers last year although none is yet ready to move up a category.

For pigs, RBST is currently looking at changing the way it calculates the numbers of registered breeding females in order to bring the method more in line with the British Pig Association breed surveys. Using these figures will enable a more current number to be gauged, rather than the three-year average currently used. That said, for the latest Watchlist the category for each breed is consistent between the RBST formula and the BPA breed survey and this has highlighted some significant falls for some breeds. Every pig breed on the Watchlist showed a decrease of more than 5% with the exception of the Welsh. That breed has managed to maintain female numbers at a similar level to the previous Watchlist, which considering the overall porcine situation, constitutes a major feather in their cap. Only two breeds have moved category – both the Middle White and Landrace moving down to category 2 – but while all others maintain their positions within their categories, all breeds remain under pressure.

Although five sheep breeds have shown a 5% or greater decrease in numbers, better news is that five breeds have moved up a category. This must be tempered by the fact that the Border Leicester, a breed that has only recently come onto the Watchlist, is already moving from category 5 down to 4, and that the Lincoln Longwool is on the verge of falling a category. It is hoped that data for 2015 might reveal better news for these breeds. Although the Cotswold has fallen in numbers by just over 5%, it is still a solid category 4 breed. Improving a category are the Castlemilk Moorit and the Teeswater, both breeds moving from category 3 to 4 after a few years of sustained growth. Also showing a good increase in numbers are the Balwen, Norfolk Horn and Whiteface Dartmoor, all moving up to category 5. An important factor for the sheep breeds that are showing positive movements is that they are being backed by very positive breed societies or groups who are encouraging ever-increasing numbers of breeders. The health of a breed, the number of new breeders and the length of time they remain committed to a breed is often linked to a successful and welcoming society or group, a fact that should never be under-estimated.

Sadly, the only way to describe the equine breeds is to say that they are all still in "free fall". The UK has 14 equine breeds that are classified as native and 12 of them are in Watchlist categories 1 to 5. Over the past 10 years, the number of pure-bred foals registered annually to these breeds has halved. Even the two breeds regarded as relatively safe in category 6, the Shetland pony and Welsh pony and cob, saw numbers of registrations fall by 12% in the last year, a figure which is consistent with other breeds. With some of the Mountain and Moorland breeds, falling numbers also have a social implication. For example, a significant number of the filly foals registered in the Fell pony breed are from free-living herds run on the Cumbrian Fells – over the last 3 years over 40% of registered fillies have been bred by just a handful of hill breeders. The often harsh environment ensures that the Fell pony characteristics of hardiness, sure-footedness and independence are retained within a breed that increasingly goes on to excel in a variety of competitive disciplines. However, numbers of hill breeders are dwindling, with support needed not only to help young people into hill farming as a career, but to encourage the retention of Fell ponies on common land where there are rights to keep

them. There is no easy solution to the situation with equines. Unlike farm livestock, only a minority of owners are breeders and in the current market, encouraging more people into breeding is not a realistic aim. The market is the greatest influence on breeding and the equine market is oversupplied with potential owners who rarely choose native breeds. While finding good news is difficult, the Highland Pony Society reports its highest membership numbers ever, with more single pony owners. This indicates that buyers are making the positive choice of a pure-bred registered Highland for riding and competition.

Although not categorised, the Poultry Breeds at Risk list, which covers chickens, turkeys, ducks and geese, contains no less than 74 breeds with 45 of those highlighted by the RBST Poultry Working Group (PWG) to be breeds of particular priority within their species. Perhaps one of the greatest threats to native poultry is that some breeds are supported by very small numbers of breeders. The National Poultry Collection has been home to the only remaining examples of certain breeds. One of the aims of the PWG is to encourage a bigger pool of breeders, particularly of those breeds highlighted as being of particular priority. Over the coming year, the Poultry Working Group plans to strengthen its activities and consider some long-term options, including developing opportunities with leading academics both in the UK and further afield.

In the National Gene Bank

With the hard work of our Field Officers and Fundraiser, 2015 was one of our best years for the Gene Bank to date. We raised over £22,000 for our work with pigs; this funded a total of 12 collections from some of the UK's rarest breeds: British Landrace, Tamworth, Welsh, Oxford Sandy and Black and British Lop. However, our pig breeds are still in urgent need of help and we need to collect from more boars in 2016 to make sure they are safe from the threat of extinction.

Our Sheep appeal and successful funding applications raised over £5,000 for Gene Bank collections. We added 10 rams from 6 breeds: Devon Closewool, Whitefaced Woodland, Soay, Leicester Long wool, North Ronaldsay and Portland rams. Extremely generous donations of straws from sheep owners added 6 more rams from Cotswold, Black Wensleydale and Southdown breeds.

The UK's equine breeds are still showing signs of decline and this year we were able to collect from 2 breeds listed as critical: a Hackney and Dales pony and a generous donation added a third genetically significant Cleveland Bay stallion to the bank.

Record numbers of bulls passed through the collection centre this Autumn with collections from Whitebred Shorthorn, Dairy Shorthorn (Original Population) and Gloucester bulls. We have been delighted with the number of donations of straws from our members and supporters; we have been able to add a further 17 bulls from Native Aberdeen Angus, British White, Irish Moiled, and Traditional Hereford breeds.

We also carried out embryo work with cattle, successfully collecting from Northern Dairy Shorthorn and Whitebred Shorthorn collecting 31 and 5 embryos respectively. Embryo implantation was carried out with Dairy Shorthorn cattle (Original Population) with four pregnancies achieved. Our attempts to collect embryos from Norfolk Horn sheep and Hereford Original Population cattle were not so successful, but work continues.

Promoting Rare Breeds

With the help of our 27 volunteer Support Groups we attended over 100 shows, sales and countryside events in 2015, reaching an estimated 1,000,000 people, and informing them of our work monitoring, saving and promoting rare and native breeds.

We also worked with a wide range of conservation charities promoting conservation grazing, not least our Coronation Meadows partners at Plantlife and the Wildlife Trusts. We continue to hold the baton for the Grazing Animals Project (GAP), despite receiving no significant external funding; during 2016 we will be looking at how we best take this project forward.

We again received significant media coverage, not least from BBC Countryfile, BBC Radio 4 Farming Today and the Food Programme, BBC regional radio, and national and regional press. In 2016 we will be working to improve this coverage to attract a wider audience to our work.

During 2016 we have plans to significantly increase the promotion of using rare and native breeds, not least promoting wool, when dining out, for conservation grazing and a focus on buying rare and native ponies for riding.

Our Conservation Plans

In 2016, we need to make sure this good work continues. The RBST conservation team has outlined their targets and plans for the year: in addition to Gene Bank collections, we are working towards developing a long term plan for the Gene Bank that will allow us to work with a wide range of organisations and ensure the sustainability and future of our Gene Bank.

Even though the cattle breeds appear relatively stable, more collections are needed for the Gene Bank to ensure they are safe from extinction. The Conservation team is aiming to collect from Original Population Lincoln Red, British White and Shetland bulls. We are also keen to collect more embryos which will allow us to recreate a breed more completely and in fewer generations, if needed in the future.

Although our breeds of sheep appear the most secure, we have learnt from past experience that this situation can change very quickly. It is therefore vital that we continue to help all the breeds of sheep on our Watchlist, so we can act quickly if the situation suddenly changes. We are working towards collecting from 4 rams in 2016 and continuing with our North Ronaldsay project. We are also keen to continue our project to collect embryos from Norfolk Horn ewes in collaboration with David Walton, Chairman of Lancashire Support Group.

All of the equine breeds are in an extremely fragile situation; all breeds are experiencing falling numbers and it is vital that RBST can carry out Gene Bank collections to help safeguard the listed breeds. The team is hoping to collect from a Highland stallion in 2016 and we are looking for other important stallions within other breed populations.

The UK's pig breeds are in a similar situation to equines with the majority of breeds declining in numbers. We collected from 12 boars in 2015 and intend to continue this work in 2016 and have set the target of 4 boars.

The successful appeal for donations towards our work with goats made it possible to fund 3 collections from billy goats which will take place in Autumn 2016. We are also hoping to collect embryos from nanny goats for the first time.

We are working with The Livestock Conservancy in America and Dr. Mike McGrew at the Roslin Institute in Edinburgh to develop a mid to long-term strategy for all our poultry breeds.

In the past, we have monitored and assessed breeds by their physical production characteristics, pedigree analysis and parentage analysis by DNA or other biological markers such as blood groups. But there is always an element of 'nurture' as well as 'nature', fundamental characteristics of an animal are defined by its complete genetic makeup known as its genome. We are keen to explore how we can use this technology in the future.

The appropriate use of genomic technology could make it possible to rescue a breed; for example, if the full genome if a breed is known, then a similar genome could be genome edited to re-create that breed using reproductive technologies, or potentially re-create a species from the genomic data. The Trustees have actively explored the potential benefit and risks of these scientific developments, and embarked on a programme to utilise their benefits in conjunction with breed societies.

Many of the genetics we saved in 2015 were donated or sold to us by rare breed keepers and breeders, this is of vital importance since it allows us to add genetic material to the Gene Bank at a significantly lower cost and from animals that are no longer available.

The Trustees are also looking at partnering other livestock related organisations and government to ensure our focus and potential synergies are considered, and wider funding opportunities exploited.

We have a big challenge ahead of us. The team is busy developing sponsorship packages that will allow us to deliver more at shows and events in 2016. However, we heavily rely on donations from supporters to help fund collections and we greatly appreciate any donation, no matter how small, to fund this work.

Volunteer support

The trustees are highly appreciative of our 27 Support Groups, each typically attends 5-10 agricultural and countryside events per year, providing an average of between 10-20 volunteer days, totalling over 2,250 volunteer days of support promoting RBST's work and providing a national support network for rare and native breed producers.

Strategies for Achieving Objectives

At the end of 2015 we launched our 2016-2050 Strategic Plan, which clearly outlines our plan to secure the future of rare and native breeds, in the field, in our Gene Bank, and by ensuring our own financial security.

We also finalised the revamp of our back office systems, membership and Gene Bank databases, reviewed and published all our health and safety procedures, and commenced the final steps of our financial processes review. We also plan to have completed our Human Resources review in early 2016.

We will continue to implement plans to secure the financial future of RBST.

Financial Summary

The trustees recognise the lower deficit than the previous year and are targeting further significant reductions in subsequent years.

2015 saw RBST realise a deficit of £126,444, including:

- £11,181 loss on revaluation of conservation breeding stock (agisted)
- £10,163 loss on investments

Resulting in an operating loss of £105,100, included:

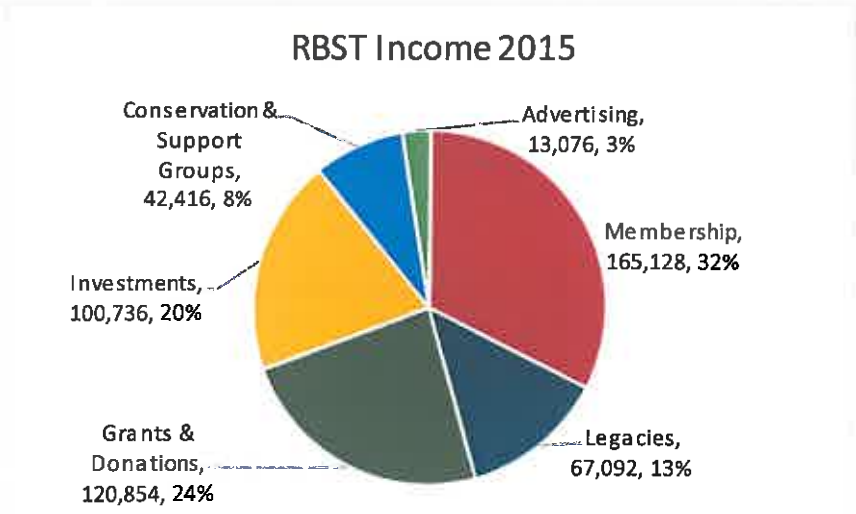
- £4,423 exceptional Gift Aid interest repayment
- £7,430 on cattle semen splitting and North Ronaldsay sheep projects
- £12,586 planned Gene Bank project spend down from restricted funds.

The underlying trading loss was £80,661 compared to £158,434 in 2014.

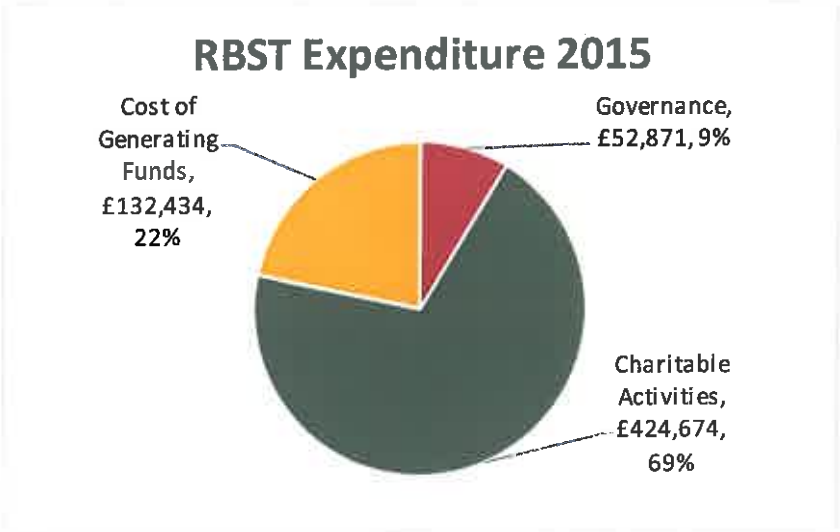
Unrestricted income for the year totalled £458,167: subscription income was up by £16,796 and legacies by £47,222, with projections for both improving further in 2016. Having forgone Gift Aid income last year, this has recommenced in 2015. Membership numbers at the end of 2015 totalled 5,477, for the later months we believe we have now halted the decline and saw a small increase in membership: Membership income was £165,128, investment income was £100,736, grants and donations were £120,854, legacies £67,092, conservation and Support Groups £42,416 and £13,076 from magazine advertising.

These factors contributed to a Total Income of £509,302 which was £63,619 more than 2014. The Trust is grateful to its many supporters and donors, and also to legatees, who together with grants contributed £187,946 in 2015.

Income



Expenditure



Expenditure totalled £609,979 (excluding £4,423 exceptional Gift Aid interest repayment) of which 69% or £424,674 (2014: £412,142) was spent on conservation projects and programmes. Governance costs were £52,871 (2014: £45,633) 9% of the total expenditure. The increase on Governance costs was due to the revision of the Articles of Association. Cost of generating funds were £132,434 (2014: £150,859) or 22% of expenditure.

The value of RBST investment portfolio decreased slightly to £2,809,611 from £2,890,642 and the total reserves decreased by £126,444 to £3,109,512.

Reserves

The Trust does not have the benefit of any major income streams; therefore it has invested the expandable endowment funds from which the dividends are used to supplement the operating costs of the Trust, and all conservation project funding is raised by community, Trust, foundation or Lottery funding. RBST had much success in 2015 with many funders realising the importance of RBST conservation work.

RBST needs to maintain a high level of reserves to fund current activities and to operate as a going concern.

The Trustees are mindful that the prime charitable objective of the Trust is to ensure the preservation of breeds and breeding groups of domestic farm livestock and the preservation of genes of special or potential value in hybridisation or other work. The genes are treated as a heritage asset which is irreplaceable and not capable of being valued with any degree of accuracy. Regardless of any other activities by the Trust, the maintenance of the Gene Bank, and the work to ensure that it contains the characteristics of old and current breeding groups, is imperative. The Trust has designated £2m of expendable funds to maintain and develop the Gene Bank for the next generation. In calculating this level the Trustees have taken the view that the next generation should be regarded as 40 years and that each year at least £50,000 would be spent on semen storage and collection, and administration of the Gene Bank.

Total designated funds as at 31st December 2015 are £2,073,951.

There were several new restricted funds created in 2015, Conservation funds were received from Marjorie Coote, Princes Charities, France Hayhurst Trust, Pauline Meredith, Diana Edgson & Beryl Evetts. Three new membership and funders appeals were launched for the following species: sheep, pigs and goats. RBST fundraises for restricted conservation projects. There is one other restricted conservation fund, Grazing Advice Fund, which we plan to continue through to 2017. Total restricted funds as at 31st December 2015 were £55,263.

The unrestricted funds total £980,298. These reserves provide funds to finance an orderly run down of RBST's activities should it choose to restrict itself to just maintaining the Gene Bank; to cover the working capital requirements of its current strategy recognising that its income from legacies and grants is subject to fluctuation, and that at any time the Trust may incur additional expenditure to respond to any national outbreak of animal disease. At their current level the free Reserves of £822,780 (Reserves less the value of tangible fixed assets) cover more than 16 months of such expenditure. The Trustees' aim is for the free reserves to always cover operational costs for at least 12 months.

The Board monitors its reserves policy on a regular basis and was satisfied that the amounts held at the end of 2015 were appropriate and neither excessive nor significantly deficient.

Investment Policy

A medium-risk approach describes the investment policy. Assets are held in the RBST Portfolio which is managed by Smith and Williamson, and which invests in a combination of segregated equities and collective funds. The new portfolio targets are initial income yield of 4%; in 2015 we achieved 3.81%, which was acceptable given market conditions. The Investment aim is to achieve this income target without detriment to the growth and without incurring unnecessary risk. The Trustees believe that the RBST portfolio will continue to perform close to its benchmark in the coming 12 months as well as the longer term. The value of the RBST portfolio as at 31st December 2015 was £2,809,613, £81,029 down from the £2,890,642 at the start of the year.

Going Concern

The Board recognises that the consequence of recording a deficit in a year has serious implications to RBST's cash flow. The Trustees have resolved that they will realise cash from the investment portfolio as and when needed. We are committed to addressing this deficit.

A change in fund managers and a new investment strategy to enhance dividend and capital growth will also increase the income flow. A new fundraising strategy has been implemented with membership appeals for the Gene Bank Collection, Trust funding appeals for the Gene Bank collections and other community and national fundraising schemes. The Trust is committed to maintaining the Gene Bank for the next generation and is committed to achieving financial stability within the short term with the help and support of members, funders and the general public donations.

On behalf of The Board

Gail Sprake, Chairman of Trustees

5th May 2016

Independent Examiner's Report to the Trustees of the Rare Breeds Survival Trust
I report on the accounts of the company for the year ended 31 December 2015 which are set out on pages 11 to 20.

Respective responsibilities of trustees and examiner
The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- Follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- State whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1 which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Geoffrey Cox BA FCA
For and on behalf of Dafferns LLP
Chartered Accountants
One Eastwood
Harry Weston Road
Coventry
CV3 2UB

Dated 5th May 2016

Accounting policies
For the year ended 31 December 2015

Basis of accounting
The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (FRSSE SORP), Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

A network of volunteer support groups is constituted within the Trust and accordingly the accounts include their financial activities.

The Trust owns 100% of the issued ordinary share capital of the RBST Trading Company Limited, (incorporated in the United Kingdom). This company has not traded since 1 January 2004 and so consolidated accounts have not been prepared on the grounds of immateriality.

The Trustees have a reasonable expectation that RBST has adequate resources to continue in operational existence for the foreseeable future thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Heritage asset – National Archive Gene Bank
The Gene Bank is a collection of semen and embryos obtained from rare breeds of cattle, horses, sheep, goats and pigs. It acts as an archive to preserve bloodlines of breeds. Each year additions are made to the archive to ensure that it includes the current characteristics of a breed. The archive is regarded as an irreplaceable resource which cannot be valued with any degree of accuracy and will never be sold. As such it generates no income and so has no realisable value. Therefore it does not have a carrying value in the balance sheet. The costs incurred in maintaining the archive for conservation purposes are written off each year.

Depreciation
Depreciation is provided to write off the cost of fixed assets over their effective useful lives;

Short leasehold buildings - over the period of the lease
Office & computer equipment - 10% to 33% according to the nature of the asset
Conservation Breeding Stock (agisted) - Valuation now takes place every year, historically this was every 3 years

Investments
Investments are stated in the balance sheet at mid-market value. Surpluses or deficits on valuation or arising from the sale of investments are credited or charged in the Statement of Financial Activities.

Stocks
Stocks comprise genetic resources which are not part of the Gene Bank and goods for resale. Genetic resources are valued at the lower of cost of production and market value. Retail stocks are valued at the lower of cost and net realisable value.

Subscriptions, donations legacies and other income
Subscriptions are included in the Income and Expenditure Account in the accounting period in which they are received. This treatment is also adopted for the limited number of subscriptions received from new life members.

Donations, legacies and other income represent general and specific items received or due in the period. Legacies are included once receipt is certain and a value confirmed.

Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and of grants, also support costs and depreciation on related assets. Costs of generating funds similarly include fundraising and non-charitable trading activities. Governance costs are those associated with constitutional and statutory requirements. All support costs have been allocated on the basis of number of employees. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs consist of audit fees, legal fees and Trustees expenses.

Operating leases
Costs in respect of operating leases are included in resources expended on a straight-line basis over the lease term.

Pensions
The Trust agrees to pay a defined contribution into the employee's own personal pension scheme for eligible employees. The pension charge represents contributions payable by the Trust for the period. The Trust's liability is limited to the amount of the contribution. The liability for meeting future pension payments rests solely with the employee's personal pension scheme. Auto enrolment staging date is confirmed by the pension regulator as 1st October 2016.

Grants
Grants of a revenue nature are taken to incoming resources in the period to which they relate.

Fund accounting
Unrestricted funds are those available for the use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the accounts.

Statement of Financial Activities

(incorporating an Income & Expenditure account)

For the year ended 31 December 2015

	Note	Unrestricted	Designated	Restricted	Total 2015	2014
Incoming resources from generated funds						
Grants and donations		69,719	-	51,135	120,854	114,763
Legacies		67,092	-	-	67,092	19,870
Membership subscriptions		165,128	-	-	165,128	148,332
Voluntary income		301,939	-	51,135	353,074	282,965
Advertising revenue		13,076	-	-	13,076	12,717
Activities for generating funds		13,076	-	-	13,076	12,717
Dividends and interest receivable						
Investment income		100,736	-	-	100,736	107,178
Total incoming resources from generated funds		415,751	-	51,135	466,886	402,860
Incoming resources from charitable activities						
Conservation activities (including Support Groups)		42,416	-	-	42,416	42,823
Total incoming resources		458,167	-	51,135	509,302	445,683
Resources expended						
Fund raising activities		116,630	-	-	116,630	142,983
Investment management fees		15,804	-	-	15,804	7,876
Costs of generating funds		132,434	-	-	132,434	150,859
Conservation activities (including Support Groups)		308,568	7,430	63,721	379,719	368,749
Ark magazine		44,955	-	-	44,955	43,393
Charitable activities	1	353,523	7,430	63,721	424,674	412,142
Governance costs	2	52,871		-	52,871	45,633
Exceptional items	3	4,423	-	-	4,423	57,295
Total resources expended		543,251	7,430	63,721	614,402	665,929
Net outgoing resources (operating profit/loss)	4	(85,084)	(7,430)	(12,586)	(105,100)	(220,245)
Loss on revaluation of conservation breeding stock		-	(11,181)	-	(11,181)	-
Gains/(losses) un/realised on investments		(10,163)	-	-	(10,163)	41,357
Realised deficit/gain for the financial year		(95,247)	(18,611)	(12,586)	(126,444)	(178,888)
Fund balances at 31 December 2014		1,075,545	2,092,562	67,849	3,235,956	3,414,844
Fund balances at 31 December 2015	£	980,298	2,073,951	55,263	3,109,512	3,235,956

The results are derived from continuing activities and include all gains and losses recognised in the year.
The *Net outgoing Resources* of £126,444 (*Net Outgoing Resources* £178,888 - 2014) was the deficit for the year for Companies Act purposes.

	Note	2015	2014
Fixed assets			
Heritage assets	7	-	-
Tangible fixed assets	8	157,518	161,541
Investments	9	2,809,613	2,890,642
		2,967,131	3,052,183
Current assets			
Stocks	10	8,355	8,101
Debtors	11	84,681	74,697
Cash at bank and in hand		121,938	235,213
		214,974	318,011
Creditors - falling due within one year	12	(72,593)	(134,238)
Net current assets		142,381	183,773
Total assets less current liabilities		3,109,512	3,235,956
Total assets		£ 3,109,512	£ 3,235,956
Represented by			
Unrestricted funds	15	980,298	1,075,545
Designated Funds	14	2,073,951	2,092,562
Restricted Fund	13	55,263	67,849
		£ 3,109,512	£ 3,235,956

The Financial statements have been prepared in accordance with the special provisions relating to companies subjected to the small companies' regime within Part 5 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015).

For the year ending 31 December 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to smaller companies.

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of Accounts.

Approved by the Board on 5th May 2016 and signed on its behalf

Gail Sprake, Chairman

Martin Anderson, Treasurer

Notes to the Financial Statements for the year ended 31 December 2015

		2015		2014
1. Charitable activities- support costs				
Management salaries and expenses		122,415		119,895
Office operational costs and utilities		63,301		56,416
Depreciation		8,622		8,738
Professional charges		3,414		2,918
	£	197,752	£	187,967
Which have been allocated to				
Fundraising activities		57,348		43,665
Conservation activities		116,674		120,806
Governance costs		23,730		23,496
	£	197,752	£	187,967

Support costs in 2015 were attributed on the basis of staff time.

2. Governance costs				
Auditor's remuneration previous year		2,400		1,400
Independent examiners fee		2,000		-
Costs of Trustees' meetings and the AGM		12,952		14,152
Legal and professional fees		11,789		6,585
Support costs apportionment		23,730		23,496
	£	52,871	£	45,633

None of the Trustees received any remuneration in either year.

3. Exceptional items				
Gift Aid repayment (2015 interest)	£	4,423	£	57,295

4. Net outgoing resources are stated after charging				
Depreciation	£	10,807	£	9,915

5. Staff costs				
Salaries		232,658		238,423
Social security costs		21,991		19,265
Pension contributions		9,089		8,310
	£	263,738		265,998
The number of staff employed in the year were (FTE)				
Administration		3		3
Fundraising		1		1.5
Membership		0.5		1
Programmes		3.5		4
		8		9.5

There were no employees receiving emoluments over £60,000 in 2015.

Notes to the Financial Statements for the year ended 31 December 2015 – continued

6. Trustees' expenses		2015		2014
Aggregate expenses reimbursed	£	7,691	£	11,362
Number of Trustees reimbursed		6		7

7. Heritage assets

The National Archive Gene Bank has no value.		-		-
Expenditure to acquire, preserve and develop the National Archive Gene Bank	£	89,417	£	85,013

8. Tangible fixed assets

		Short leasehold		Office & equipment	Conservation Breeding Stock (Agisted)		Total
Cost							
At 31 December 2014		221,443		122,896	43,457		387,796
Additions		-		17,965			17,965
Revaluation		-		-	(11,181)		(11,181)
At 31 December 2015		221,443		140,861	32,276		394,580
Depreciation							
At 31 December 2014		115,185		111,070	-		226,255
Charge for year		4,440		6,367	-		10,807
At 31 December 2015		119,625		117,437	-		237,062
Net book value							
At 31 December 2015	£	101,818	£	23,424	32,276	£	157,518
31 December 2014	£	106,258	£	11,826	43,457	£	161,541

9. Investments

		2015		2014
Market value of portfolio		2,809,611		2,890,640
Investment in subsidiary		2		2
	£	2,809,613	£	2,890,642
Changes to the portfolio in the year				
Market value of portfolio at 31 December 2014		2,890,642		
Additions		1,836,875		
Disposals		(1,849,714)		
Movement in cash investments		(58,031)		
Realised and unrealised losses on investments		(10,163)		
Market value of portfolio at 31 December 2015	£	2,809,613		
Cost of portfolio investments	£	2,835,825	£	2,666,179

All investments are held in UK managed units trusts.

Notes to the Financial Statements for the year ended 31 December 2015 – continued

9. Investments - continued

The following investments are held within the RBST Portfolio which is spread across all market sectors:

	2015	2014
UK Equities and cash instruments	2,063,651	2,648,517
Far East	117,762	37,462
Rest of the World	261,405	182,018
USA	173,171	-
Europe	193,624	22,647

10. Stocks

Bovine semen	£	8,355	£	8,101

11. Debtors

Trade debtors		11,493		4,999
Taxes recoverable		20,714		7,863
Amounts owed by Support Groups		32,561		30,250
Prepayments & Accrued Income		19,913		31,585
	£	84,681	£	74,697

12. Creditors - falling due within one year

Trade creditors		38,845		30,725
Amount owed to subsidiary company		10,958		10,958
Taxes & social security		-		5,716
Breed support grants awarded		-		3,469
Gift Aid repayment to HMRC		-		57,295
Other creditors		1,218		250
Accruals		21,572		25,825
	£	72,593	£	134,238

13. Restricted Funds

	Tubney Regeneration	Pig Semen Appeal	Grazing Advice	PF Charitable Trust	Prince of Wales Charitable Trust
At 31 December 2014	8,461	-	15,634	3,000	18,133
Income in the year	276	16,190	-	-	400
Resources expended	(5,557)	(7,628)	(7,596)	(3,000)	(11,987)
At 31 December 2015	£ 3,180	£ 8,562	£ 8,038	£ -	£ 6,546

	France Hayhurst Capital	Whitefaced Woodland Fund	Conservation General fund	Elise Pilkington Gene Bank	Sackler Foundation
At 31 December 2014	2,184	968	1,626	1,000	1,500
Income in the year	-	170	-	-	-
Resources expended	(2,184)	513	(1,626)	-	-
At 31 December 2015	£ -	£ 625	£ -	£ 1,000	£ £1,500

Notes to the Financial Statements for the year ended 31 December 2015 – continued

13. Restricted Funds - continued

	Pauline Meredith	France Hayhurst Pigs	Hobson Charity	Marjorie Coote Fund	Sheep Semen appeal
At 31 December 2014	-	-	2,000	2,000	2,851
Income in the year	500	5,000	-	2,000	2,308
Resources expended	(500)	(5,000)	(2,000)	(2,000)	-
At 31 December 2015	£ -	£ -	£ -	£ 2,000	£ 5,159

	Saintbury Trust	Princes Charities	Prince of Wales Hackney Fund	Norfolk Horn Fund	D Edgson
At 31 December 2014	2,000	5,000	1,492		
Income in the year	-	12,000	-	940	1,000
Resources expended	-	(13,250)	-	(480)	-
At 31 December 2015	£ 2,000	£ 3,750	£ 1,492	£ 460	1,000

	Equine semen Fund	Beryl Evetts Fund	Goat Appeal	Total
At 31 December 2014	-	-	-	67,849
Income in the year	400	2,500	7,451	51,135
Resources expended	(400)	-	-	(63,721)
At 31 December 2015	£ -	£ 2,500	£ 7,451	£ 55,263

The Tubney Regeneration Fund is used to develop the ovine and caprine elements of the national archive Gene Bank.

The Pig Semen appeal is restricted to funding pig semen collection for the Gene Bank.

The Grazing Advice Fund derives from the activities of the former Grazing Advice Partnership (RBST, Natural England, Defence Estates and the National Trust) which operated until September 2011. RBST continues to operate the Grazing Animals Project (GAP) which pursues the same aims of the Partnership which are to promote conservation grazing.

The PF Charitable Trust is a restricted fund for equine semen collections.

The Prince of Wales Charitable Trust for Conservation of Vaynol, Northern Dairy Shorthorn and Whitebred Shorthorn cattle.

The France- Hayhurst Capital Fund for the purchase of new Head Office IT server and one year's IT maintenance contract.

The Whitefaced Woodland Fund for the purchase of Whitefaced Woodland conservation stock.

The Conservation General Fund for Geneped analyses for Hackney horse and Bagot goat.

The Elise Pilkington Gene Bank Fund is to be used for an equine semen collection.

The Sackler Foundation is a restricted fund for an equine semen collection.

The Pauline Meredith Trust is a restricted general fund for equine semen collection.

The Mrs DM France-Hayhurst Charitable Trust pig fund is a restricted fund for pig semen collections.

The Hobson charity Limited is a restricted fund for an equine semen collection.

Notes to the Financial Statements for the year ended 31 December 2015 – continued

13. Restricted Funds – continued

The Marjorie Coote Animal Charity Trust Fund is to be used for a partial pig collection.

The Sheep Semen Appeal is a restricted fund from members' donations for ovine semen collections.

The Saintbury Trust is a restricted fund for equine semen collections.

The Prince's Charities is a restricted fund for general conservation work.

The Prince of Wales Hackney Fund is a restricted fund for a Hackney semen collection.

The Norfolk Horn Fund is a restricted fund for embryo work on Norfolk Horn sheep.

The Diana Edgson Wright Charitable Trust Fund is a restricted fund for Lincoln Red Cattle.

The Equine Semen Fund is a restricted general fund for equine semen collection.

The Beryl Evetts & Robert Luff Animal Welfare Trust Limited fund is a restricted fund for an equine semen collection.

The Goat Appeal fund is a restricted fund for goat semen collections.

14. Designated funds

	Gene Bank	Conservation Breeding Stock (Agisted)	Linga Holm	Sandringham Charitable Trust	Total
At 31 December 2014	2,000,000	43,457	17,821	31,284	2,092,562
Revaluation of Conservation Breeding Stock	-	(11,181)	-	-	(11,181)
Resources expended	-	-	(5,009)	(2,421)	(7,430)
At 31 December 2015	£ 2,000,000	£ 32,276	£ 12,812	£ 28,863	£ 2,073,951

The archive Gene Bank is held to maintain the Heritage Assets for the benefit of the next generation.

The Linga Holm Fund derives from the sale of certain assets in 2000. It is available for the conservation of North Ronaldsay sheep in the first instance.

Sandringham Charitable Trust was created from legacies received for the pursuance of conservation projects.

The Conservation Breeding Stock (agisted) reserve is the value of RBST rare breed stock on loan to livestock keepers to increase rare breed population numbers.

15. Unrestricted funds

	Total
At 31 December 2014	1,075,545
Income in year	458,167
Resources expended	(543,251)
Realised and unrealised losses on investments	(10,163)
At 31 December 2015	£ 980,298

Notes to the Financial Statements for the year ended 31 December 2015 – continued

16. Reconciliation of movements in funds

	Restricted	Designated	Unrestricted
At 31 December 2014	67,849	2,092,562	1,075,545
Net incoming/(outgoing) resources	(12,586)	(7,430)	(85,084)
Revaluation of conservation breeding stock	-	(11,181)	-
Realised and unrealised losses on investments	-	-	(10,163)
At 31 December 2015	£ 55,263	£ 2,073,951	£ 980,298

		2015		2014
17. Operating lease commitments				
Annual commitment under a non-cancellable operating lease for land and buildings expiring in more than 5 years	£	2,013	£	2,013

18. Subsidiary company

The whole of the issued share capital of RBST Trading Limited is owned. This company did not trade during the year and consolidated accounts have not been prepared on the grounds of immateriality.

Total assets at 31 December 2015	£	10,958	£	10,958

19. Related Third Party Transactions

An amount of £450.00 (plus £198.35 reimbursement of expenses) was paid to Richard Small (a Trustee) during the year for the provision of training, on the GAP (Grazing Animals Project), Lantra Accredited, conservation training courses. Declared as GAP is a project operated by RBST.

RBST
Rare Breeds Survival Trust